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Westly Reports Receipts Up \$5.7 Billion

Controller Finds Revenues On Par With Budget Estimates

SACRAMENTO – State Controller Steve Westly announced today that cash receipts through March are up 11.6 percent over the same period last fiscal year, a more than \$5.7 billion increase.

Key revenue sources – including income and sales taxes – continue to track with current budget estimates for the year. Actual receipts to date for the current fiscal year are \$166.1 million higher than the most recent budget forecast, an increase of 0.3 percent.

March personal income tax receipts were \$1.49 billion, up 19.6 percent from last year, while retail sales and use taxes for the month were \$1.97 billion, down 8 percent from last year.

“California’s revenues are in the ballpark of budget predictions and shaking off the slump of recent years,” Westly said. “Although the current numbers don’t reflect the estimated \$2.5 billion in unexpected corporation taxes, now is the time to keep past budget problems in mind and be fiscally prudent.”

July through March receipts continued to show gains compared to the same nine months last fiscal year, according to the State Controller’s monthly General Fund Cash Basis Revenue Report. Personal income taxes were 12.5 percent higher; retail sales and use taxes were 3.5 percent higher; and corporation taxes were 41.0 percent higher.

Personal income taxes came in at \$27.5 billion, \$3 billion above last year. Retail sales and use taxes came in at \$18.3 billion this year, \$625.2 million above the same period last fiscal year.

Corporation taxes yielded \$6.2 billion, \$1.8 billion above last year. While this sector showed significant gains, it makes up a relatively small portion of state revenues. Additionally, corporations often base initial tax payments on estimates, which are revised later in the tax season.

Excerpt of General Fund Cash Basis Revenue report follows.

General Fund Cash Basis Revenues for the Month of March 2005 **

Comparison of March 2005 to March 2004

In thousands

	Month of March		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	24,735	20,891	3,844	18.4
Corporation Tax	1,792,122	1,153,056	639,066	55.4
Cigarette Tax	7,662	11,018	(3,356)	(30.5)
Estate, Inheritance, and Gift Tax	26,210	46,708	(20,498)	(43.9)
Insurance Companies Tax	71,617	51,271	20,346	39.7
Personal Income Tax	1,490,601	1,245,998	244,603	19.6
Retail Sales and Use Taxes	1,972,793	2,143,974	(171,181)	(8.0)
Pooled Money Investment Interest	15,033	3,269	11,764	359.9
Not Otherwise Classified	88,919	100,218	(11,299)	(11.3)
Total Revenues	<u>5,489,692</u>	<u>4,776,403</u>	<u>713,289</u>	14.9

General Fund Cash Basis Revenues for the Fiscal Year through March 2005 *

Comparison of Fiscal Year 2004-05 to 2003-04

In thousands

	July 1 through March 31		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	234,007	235,386	(1,379)	(0.6)
Corporation Tax	6,237,412	4,424,681	1,812,731	41.0
Cigarette Tax	86,511	86,899	(388)	(0.4)
Estate, Inheritance, and Gift Tax	368,111	441,450	(73,339)	(16.6)
Insurance Companies Tax	1,116,805	985,858	130,947	13.3
Personal Income Tax	27,470,589	24,421,873	3,048,716	12.5
Retail Sales and Use Taxes	18,279,274	17,654,060	625,214	3.5
Pooled Money Investment Interest	104,005	81,665	22,340	27.4
Not Otherwise Classified *	1,298,442	1,125,634	172,808	15.4
Total Revenues	<u>55,195,156</u>	<u>49,457,506</u>	<u>5,737,650</u>	11.6

* Excludes 2,263,609 received on 09/30/03 from the issuance of Tobacco Securitization Bonds

** This information is based upon funded cash. Funded cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

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General Fund Cash Basis Revenues for the Month of March 2005 *
Comparison of Actual Amounts to 2005-06 Governor's Budget Estimate
In thousands

	Month of March		Actual Over or (Under) Estimate	
	Actual	Governor's Budget Estimate	Amount	%
Alcoholic Beverage Excise Tax	24,735	22,000	2,735	12.4
Corporation Tax	1,792,122	1,661,000	131,122	7.9
Cigarette Tax	7,662	9,000	(1,338)	(14.9)
Estate, Inheritance, and Gift Tax	26,210	22,000	4,210	19.1
Insurance Companies Tax	71,617	339,000	(267,383)	(78.9)
Personal Income Tax	1,490,601	1,347,000	143,601	10.7
Retail Sales and Use Taxes	1,972,793	1,886,000	86,793	4.6
Pooled Money Investment Interest	15,033	26,000	(10,967)	(42.2)
Not Otherwise Classified	88,919	43,000	45,919	106.8
Total Revenues	<u>5,489,692</u>	<u>5,355,000</u>	<u>134,692</u>	2.5

General Fund Cash Basis Revenues for the Fiscal Year through March 2005 *
Comparison of Actual Amounts to 2005-06 Governor's Budget Estimate
In thousands

	July 1 through March 31		Actual Over or (Under) Estimate	
	Actual	Governor's Budget Estimate	Amount	%
Alcoholic Beverage Excise Tax	234,007	228,009	5,998	2.6
Corporation Tax	6,237,412	5,913,452	323,960	5.5
Cigarette Tax	86,511	87,646	(1,135)	(1.3)
Estate, Inheritance, and Gift Tax	368,111	339,570	28,541	8.4
Insurance Companies Tax	1,116,805	1,373,330	(256,525)	(18.7)
Personal Income Tax	27,470,589	27,163,011	307,578	1.1
Retail Sales and Use Taxes	18,279,274	18,433,401	(154,127)	(0.8)
Pooled Money Investment Interest	104,005	131,803	(27,798)	(21.1)
Not Otherwise Classified	1,298,442	1,358,822	(60,380)	(4.4)
Total Revenues	<u>55,195,156</u>	<u>55,029,044</u>	<u>166,112</u>	0.3

* This information is based upon funded cash. Funded cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

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